

INSTRUCTIONS FOR ALTERNATIVE EXERCISE

You are part of a family applying for Social Security. Using the information provided on the slip of paper you picked, determine which members of your “family” could qualify for benefits and how.

Each of the members of the group should assume one of the roles described in the scenario (worker, spouse, child, dependent parent) and report to the class why he or she qualifies or does not qualify for a Social Security benefit.

EXAMPLE

Worker retires at 64; spouse age 60; children ages 35 and 37.

Benefits payable to retired worker who is over 62, the minimum retirement age; spouse is under 62 with no children under 16 in his/her care, and does not qualify; children do not qualify since they are over 18 and are not disabled.

1. Worker retires at 65; spouse also age 65; children age 24 and 27.

2. Worker retires at 67; spouse is 65; children ages 39, 44.

3. Worker dies at age 45, leaving spouse age 35; children ages 10,12.

4. Workers dies at 65; spouse 60; children ages 28 and 35-year-old disabled in an auto accident two years ago.

5. Worker dies at 64; spouse age 55 and disabled; children ages 17,30.

6. Worker dies at 21; spouse is 18; children ages 2,3.

7. Worker disabled at age 24; spouse is 22; children 3, 5.

8. Worker disabled at age 64; spouse 62; child 21, adopted child 14.

9. Worker dies at age 55; spouse 38; child 17; dependent mother of worker living with them, age 75.

10. Worker disabled at 35; spouse 29; both dependent parents living with worker.

KEY TERMS

BENEFIT

Monthly cash payment to insured workers and their families under the Social Security program.

EARNINGS RECORD

The individual's credited earnings under Social Security, recorded in yearly amounts.

FICA

Federal Insurance Contributions Act; another way of referring to Social Security taxes.

INSURED STATUS

Having enough earnings credits to qualify for Social Security benefits.

SOCIAL SECURITY NUMBER

A nine digit number used to identify workers, their earnings record and their taxes.

SOCIAL SECURITY TAXES

A percentage of earnings paid by employees, employers, and the self-employed to provide payments when earnings are reduced due to retirement, disability, or death.

SUPPLEMENTAL SECURITY INCOME (SSI)

A federal assistance program administered by Social Security which provides cash payments to needy people who are 65 or older, or blind, or disabled.

SPOUSE

Wife or husband.

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When referring to the Social Security benefit formula, this means benefits are figured based on increases in general wages over the applicants worklife.

COST-OF-LIVING

What we pay for goods and services on the average. Various formulas are used to arrive at the "cost-of-living" - that takes into account what people pay for food, housing, clothing, and other items.

RETIREMENT BENEFITS

Monthly payments to workers age 62 and older who worked under Social Security long enough to become insured.

DISABILITY BENEFITS

Monthly payments to workers who worked under Social Security long enough and recently enough to be insured. The applicant must suffer from a physical or mental condition that is expected to prevent him/her from working a year or more or to result in death.

SURVIVORS BENEFITS

Monthly payments to eligible members of the family of a deceased worker who worked long enough under Social Security to be insured.

INTERNAL REVENUE SERVICE

The federal agency responsible for the collection and disbursement of federal taxes.

FIXED INCOME

Refers to the condition in which a person's income does not change relative to changes in the price of the goods he/she purchases.

HOSPITAL INSURANCE

Refers to Part A part of Medicare which helps pay for hospital expenses for Medicare enrollees.

SUPPLEMENTARY MEDICAL INSURANCE

Refers to Part B of Medicare which helps pay for doctor bills and other medical expenses for Medicare enrollees.